

Memorandum

***Government Relations Department
City of San Diego***

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To: Honorable Mayor & Members of the Committee on Rules,
Finance & Intergovernmental Relations

From: Andrew Poat

Date: October 31, 2003

Re: 2004 Legislative Priorities

This report is the first of five by which the City will establish its 2004 legislative program. It proposes authorization for:

1. State legislative and regulatory initiatives
2. Federal legislative & regulatory initiatives

Background

Each year, the City of San Diego establishes a five part program relating to State & Federal government:

- Legislative proposals for State & Federal government
- Regulatory proposals for State & Federal government
- Budget & appropriations proposals for State & Federal government
- Legislative guidelines by which City positions on legislative and regulatory proposals are governed
- State & Federal consultant contracts

This year, we have made a priority of developing more detailed legislative priorities, addressing funding issues, and rewriting the legislative guidelines to better reflect the views and priorities of the Council. In order to accomplish these tasks, and to afford the Council a better opportunity to understand the specific elements of each proposal, we are dividing the adoption of this program into 5 parts:

State & Federal Legislative & Regulatory Priorities: Phase 1
State & Federal Legislative & Regulatory Priorities: Phase 2
Consultant Recommendations for 2004
Budget & Appropriation Priorities
Legislative Guidelines

November 5
December 3
January, 2004
January, 2004
February, 2004

Executive Summary of Phase 1 Proposals

More detailed information on these 10 proposals appears behind the corresponding tab.

Proposal 1: Vehicles for Sale in Public Right of Way

Source: Public Safety & Neighborhood Services Committee

Background: Current law permits impounding of cars following the issuance of warnings for the continued display of vehicles for sale in the public right of way. The City lacks clarification as to whether authority exists to cite vehicles owners as an interim step between warnings and impoundment. We propose to clarify this issue through the State Legislative Counsel, and, if required, to seek appropriate legislation.

Recommendation: Authorize clarification letter to State Legislative Counsel, and, if required, state legislation.

Proposal 2: Chollas Creek Water Quality Protection Program Deadline

Source: General Services – Storm water Pollution Prevention

Background: The Chollas Creek project proposes to remove concrete and restore natural habitat along several sections of the creek, as well as education programs to address water quality, litter, and habitat protection. \$2.24 million in State Proposition 13 funding dedicated to this project contains a June 30, 2006 deadline for use imposed by the 2000-2001 State Budget Act. Delays at the State in administering the contract now make completion by 2006 impossible. This proposal amends the deadline to a later date.

Recommendation: Authorize legislation.

Proposal 3: Clarification of Costa-Hawkins Rent Control Law

Source: San Diego Housing Commission

Background: The City of San Diego has adopted two inclusionary housing ordinances, provisions of which can require a developer of new residential property to restrict the rent or sale price of housing units. The State Costa-Hawkins Rental Housing Act allows an owner of residential real property to establish the initial rental rate for dwelling units, except in prescribed situations. The Commission seeks legislation clarifying that the rental/sales price restrictions utilized in San Diego are consistent with state law.

Recommendation: Government Relations proposes to commence discussions with the State Department of Housing & Community Development to clarify this issue. If required, authorization to seek legislation is proposed.

Proposal 4: Pampas Grass

Source: Natural Resources & Culture Committee

Background: Pampas grass (*Cortaderia Selloana*; *C. jubata*) is an invasive exotic plant introduced to San Diego for ornamental landscape that has now invaded and replaced native vegetation. The City's Multiple Species Conversation Program (MSCP) requires the removal of invasive species; currently costing some \$10,000 - \$25,000 an acre. This proposal would ban the sale, importation and cultivation of pampas grass in San Diego County.

Recommendation: Authorize Government Relations Department to seek regulatory change in the State’s noxious weeds list. Authorize subsequent legislative action, if required.

Proposal 5: Mandatory School Lockdown Plans

Source: San Diego Police

Background: Similar to fire and earthquake drills, lockdown plans ensure that students, teachers, and public safety officials know their respective roles in responding to threats of violence on campus. While local educators have attempted to respond to recent threats with better planning, no lock down plan requirement exists in state law, and, efforts taken by school districts vary widely. The San Diego and Chula Vista Police Departments have gained support from several school districts for uniform implementation of a statewide lock down plan.

Recommendation: Authorize legislation.

Proposal 6: Replacement of Housing Lost to School Construction

Source: Affordable Housing Task Force

Background: The San Diego Unified School Board, reflecting the need for significant expansion and upgrade of school facilities, has launched a multi-million dollar program of school construction. Such projects can result in the demolition of valuable affordable housing resources. The Affordable Housing Task Force wishes to clarify the authority, to be exercised on a voluntary basis by the School District, to make replacement of affordable housing an eligible purpose of Proposition MM and other school construction funds.

Recommendation: Government Relations proposes to commence discussions with the San Diego Unified School District to determine:

- Legal interpretation of Proposition MM permissible purposes
- Receptivity to amending Proposition MM, if feasible
- Establishing voluntary replacement housing funding authority in future state or local bond acts

Proposal 7: Credit Report Access for rental Housing

Source: Affordable Housing Task Force

Background: Individuals seeking rental housing are often required to pay a fee to landlords to cover the cost of reviewing credit reports. In a tight rental market, an individual might be required to pay this fee several times in search of one rental housing unit; a concern the Task Force wishes to address.

Recommendation: Government Relations proposes to explore regulatory standards of the Federal Trade Commission, which regulates the credit reporting industry, to determine what low income exemptions might be available for credit report access. Our preliminary review suggests that legislative or regulatory action is unlikely to occur. We propose however to examine both options and report back to Council with any additional information.

Proposal 8: Establish Federal Housing Trust Fund

Source: San Diego Housing Commission

Background: The Housing Commission continues to seek all available Federal funding for housing programs. The majority of these programs provide financial assistance for low income and other designated beneficiaries to pay rent. This proposal seeks to establish a federal program that contributes to construction of new affordable housing units.

Recommendation: Creation of a new Federal program will require extensive coalition building. We request authorization to work with other cities facing affordable housing shortages to determine the potential for successful federal legislation, and, if determined feasible, to introduce such legislation.

Proposal 9: Removal of unlawful Detainer Information from Credit Reports

Source: Affordable Housing Task Force

Background: Unlawful Detainer is the legal process by which individuals are evicted from rental housing units they occupy. Such information is routinely noted on credit reports, in some instances, prior to resolution of the case. In such instances where the case is resolved without conviction, the Task Force expressed concern that failing to remove unlawful detainer could unfairly prejudice tenants seeking new housing.

Recommendation: The Government Relations Department proposes to explore regulatory standards of the Federal Trade Commission, which regulates the credit reporting industry, to determine what regulatory requirements may exist. Regulatory or legislative remedies may result, authorization for both of which we seek.

Proposal 10: Transportation Efficiency Act (TEA) Reauthorization

Source: Government Relations Department

Background: Transportation planning and project selection for the San Diego region is conducted by SANDAG. The proposed SANDAG Regional Transportation Plan anticipates approximately \$42 billion in transportation funding during the next 30 years; approximately \$11 billion of which is anticipated from the Federal government. The Transportation Efficiency Act Reauthorization will establish the Federal funding level for the next 5 of those 30 years. Last year, Rules Committee authorized the Government Relations Department to work with SANDAG, our regional lead agency, on this legislation.

Recommendation: Authorize continued partnership with SANDAG and its constituent agencies, MTDB and NCTB, to maximize funding for transportation in general, and the San Diego region in particular.

*Governmental Relations Department
City of San Diego*



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2004 Legislative Priorities

VEHICLES FOR SALE IN PUBLIC RIGHT-OF-WAY
Lead Department: Engineering and Capital Projects

Background:

- What governmental functions are at issue?
Police Department, Parking Management, and City Attorney for enforcement, and Transportation Engineering for regulation.
- How are these functions performed?
Currently the existing law allows for the impounding of vehicles after a process of warnings is followed
- Why is legislation required?
To enhance the process to allow citing of vehicles displayed for sale as an option to impounding of vehicle
- How would the proposal permit the City to perform more effectively?
Allow for citing of vehicles rather than impounding

Proposal

- Specify what sections of state law require amendment
CVC Section 22651.9 should be replaced by an entirely new section that allows for the citing of vehicles rather than impounding
- Provide specific amendment language you seek
To be provided by City Attorney

Strategy

- List likely supporters
Unknown at this time
- List likely opponents
Unknown at this time
- List possible Sponsors
Unknown at this time



2004 Legislative Priorities

Expenditure of Proposition 13 Grant Funds
Lead Department: Storm Water Pollution Prevention

Background:

In 2002, the State Water Resources Control Board approved \$2,244,000 of Proposition 13 funds for the City of San Diego's Chollas Creek Water Quality Protection and Habitat Enhancement project (Project No. 02-166). The project proposes to remove concrete and restore natural habitat along several creek sections and includes an education program to address water quality/urban runoff principles, habitats, alternative pest control strategies, and an anti-liter campaign.

The 2000-2001 Budget Act (by trailer bill) delineated Proposition 13 rules, including that all projects must be completed and closed out by June 30, 2006. To date, the City has not been able to start the project because of delays by the State in issuing the grant contract. The State will not reimburse City costs if those costs were incurred prior to an executed agreement.

The Chollas Creek Water Quality Protection and Habitat Enhancement project was developed as a 3-year project and cannot be done in less time. Therefore, the June 30, 2006 deadline for the project completion can no longer be met.

There is a lot of support for the project including the Mayor's Clean Water Task Force. The City would like to see the Chollas Creek Water Quality Protection and Habitat Enhancement project to go forward. The Mayor held a press conference announcing the project to be funded by Proposition 13 funds last summer.

Proposal

Amend the Proposition 13 schedule restrictions with legislation so that they do not apply to the Chollas Creek Water Quality Protection and Habitat Enhancement project.

- Specify what sections of state law require amendment
 - Water Code, Section 79114 (h)
- Provide specific amendment language you seek
 - Water Code, Section 79114 (i) is added to read: Grant recipients shall have three (3) years from the date of an executed grant agreement with the Board to expend grant funds.

Strategy

Supporters include project partners San Diego BayKeeper and the Environmental Health Coalition. San Diego BayKeeper has connections with Assemblyman Juan Vargas.

There are likely other Proposition 13 funded projects throughout the State that cannot meet the June 30, 2003 deadline.



2004 Legislative Priorities

Clarification of Costa-Hawkins

Lead Department: San Diego Housing Commission

Background:

- What governmental functions are at issue? The City of San Diego has adopted two inclusionary housing ordinances. Inclusionary Housing ordinances require that a developer of a new residential property restrict the rent or sales price on a number of the units. Some opponents to such regulations have asserted that these policies are in conflict with rent control laws. The existing Costa-Hawkins Rental Housing Act allows an owner of residential real property to establish the initial rental rate for a dwelling or unit, except in prescribed situations.
- How are these functions performed?
- Why is legislation required?

To clarify the right of local jurisdictions to adopt inclusionary housing regulations. The proposed legislation would include as an exception to Costa Hawkins to allow a rent restriction pursuant to a requirement of a public entity that developers of new or rehabilitated units restrict the rents and incomes of occupants for a portion of the units.

- How would the proposal permit the City to perform more effectively?
Would reduce the risk on litigation against the City's inclusionary housing regulations.

Proposal

- Specify what sections of state law require amendment
Section 1954.53 of the Civil Code would be amended.
- Provide specific amendment language you seek
2003 legislation proposed should be reintroduced as follows:
1954.53. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial rental rate for a dwelling or unit, except where any of the following applies:
(1) The previous tenancy has been terminated by the owner by notice pursuant to Section 1946 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section

827, except a change permitted by law in the amount of rent or fees. For the purpose of this paragraph, the owner's termination or nonrenewal of a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Section 827.

(A) In a jurisdiction that controls by ordinance or charter provision the rental rate for a dwelling or unit, an owner who terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant shall not be eligible to set an initial rent for three years following the date of the termination or nonrenewal of the contract or agreement. For any new tenancy established during the three-year period, the rental rate for a new tenancy established

in that vacated dwelling or unit shall be at the same rate as the rent under the terminated or nonrenewed contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant, plus any increases authorized after the termination or cancellation of the contract or recorded agreement.

(B) Subparagraph (A) shall not apply to any new tenancy of 12 months or more duration established after January 1, 2000, pursuant to the owner's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant as set forth in that subparagraph.

(2) The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(3) The initial rental rate for a dwelling or unit whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, shall not until January 1, 1999, exceed the amount calculated pursuant to subdivision (c).

(4) The rent of the dwelling unit is restricted pursuant to a requirement of a public entity that requires developers of new or rehabilitated units to restrict the rents and income of occupants for a portion of the units.

(b) Subdivision (a) applies to, and includes, renewal of the initial hiring by the same tenant, lessee, authorized subtenant, or authorized sublessee for the entire period of his or her occupancy at the rental rate established for the initial hiring.

(c) The rental rate of a dwelling or unit whose initial rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established in accordance with this subdivision. Where the previous tenant has

voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of Code of Civil Procedure, an owner of residential real property may, no more than twice, establish the initial rental rate for a dwelling or unit in an amount that is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater.

The initial rental rate established pursuant to this subdivision shall not be deemed to substitute for or replace increases in rental rates otherwise authorized pursuant to law.

(d) (1) Nothing in this section or any other provision of law shall be construed to preclude express establishment in a lease or rental agreement of the rental rates to be applicable in the event the rental unit subject thereto is sublet, and nothing in this section shall be construed to impair the obligations of contracts entered into prior to January 1, 1996.

(2) Where the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside there, an owner may increase the rent by any amount allowed by this section to a lawful sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996.

(3) This subdivision shall not apply to partial changes in occupancy of a dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this section shall be construed to enlarge or diminish an owner's right to withhold consent to a sublease or assignment.

(4) Acceptance of rent by the owner shall not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an owner's rights to establish the initial rental rate unless the owner has received written notice from the tenant that is party to the agreement and thereafter accepted rent.

(e) Nothing in this section shall be construed to affect any authority of a public entity that may otherwise exist to regulate or monitor the grounds for eviction.

(f) This section shall not apply to any dwelling or unit if all the following conditions are met:

(1) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding any violation caused by a disaster.

(2) The citation was issued at least 60 days prior to the date of the vacancy.

(3) The cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-day time period may be extended by the appropriate governmental agency that issued the citation.

Strategy

- List likely supporters

California jurisdictions with inclusionary housing regulations or considering adoption of regulations. Currently, over 100 California jurisdictions have inclusionary housing regulations in effect.

- List likely opponents

Building Industry Association, National Home Builders Association

- List possible Sponsors

Rep. Dutra



2004 Legislative Priorities

Prohibition of Pampas Grass
Lead Department: Park and Recreation

Background:

- What governmental functions are at issue?
 - Removal of invasive exotic plants as required by the City's MSCP.
- Why is legislation required?
 - Pampas grass (*Cortaderia selloana*; *C. jubata*) is an extremely invasive exotic plant that was introduced to San Diego many years ago as an ornamental landscape plant. It has invaded open space in San Diego to the point that it has replaced native vegetation and continues to invade new areas of open space. The City of San Diego is spending \$10,000-\$25,000 an acre to remove invasive exotics depending on accessibility of the site and amount of re-treatment required. With the adoption of the Multiple Species Conservation Program, removal of invasive exotics and restoration of native habitat is a requirement of the program.
- How would the proposal permit the City to perform more effectively?
 - The ban of sale, importation, and cultivation of pampas grass in San Diego County would stop new populations of this exotic from becoming established that would invade adjacent open space areas. This proactive approach would protect open space areas not already infested with this plant and allow the City to focus on eradicating existing populations.

Proposal

Add Pampas Grass to the State Noxious Weed List with the a rating appropriate to allow the County of San Diego Agriculture Commissioner to ban the sale, importation, and cultivation of Pampas Grass in San Diego County

- Specify what sections of state law require amendment
 - Option #1 (preferred): Seek a regulatory change in the State's Noxious Weed List to include Pampas Grass in the "B" list of noxious weeds, thereby allowing the County to ban the sale, importation and cultivation of the invasive grass.
 - Option #2 (not preferred): Seek special legislation identifying and proclaiming Pampas Grass as a "B" rated noxious weed. To date, there have been no legislative actions amending the noxious weed list; all amendments have been

established through regulatory action. GRD recommends the City should exhaust its resources working within the regulatory structure before seeking special legislation.

- Provide specific amendment language you seek
Amend Section 4500 of title 3, division 4, chapter 6, subchapter 6 of the California Code of Regulations to include *Cortaderia selloana*; *C. jubata* as a noxious weed.

Strategy

- List likely supporters: California Native Plant Society, Sierra Club, Audubon Society, California Exotic Pest Plant Council
- List likely opponents: Nurseryman's Association



2004 Legislative Priorities

Uniform School Lock Down
Lead Department: Police

Background

- *What government functions are at issue?*

Saving lives and protecting public safety. Because most school districts in San Diego do not have their own police departments, local law enforcement officers are the first responders to crisis situations at schools.

Officers work closely with area schools to provide law enforcement services on campus, including education and crime prevention.

- *Why is legislation required?*

The Police Department is seeking legislation to require schools to adopt, implement, and regularly practice a uniform lock down plan. In response to the 1999 Columbine High School shooting and the 2001 shootings at Santana High School and Granite Hills High School in San Diego County and a hodgepodge of safety plans at individual schools, officers at the San Diego Police Department's Southern Division developed a uniform lock down plan. This plan ensures that public safety officers and school personnel respond to threats on school grounds requiring a lock down – an active shooter, a barricaded suspect, a hostage situation – in a coordinated and consistent manner. Similar to fire and earthquake drills, the lock down plan ensures that students, teachers, and public safety officers know their respective roles in responding safely and quickly to threats on campus.

The officers have gained the support of administrators in South Bay's seven school districts to adopt the plan for the 114 schools in these districts. However, implementation of the plan at the school level has presented challenges: on-site checks show that some schools do not follow the prescribed lock down plan, conduct regular drills, or have modified the plan to unwittingly put teachers and students at risk. Not following or not practicing the lock down plan defeats the safety benefits of a uniform and tactically sound plan.

The benefits of the lock down plan are that students will learn a consistent response, which they can rely on in the elementary, middle school, high school grades, in any school. School personnel and teachers also will learn a consistent response for any grade in any school, instead of trying to figure out a particular school's crisis plan. (Some plans notify school personnel of a threat with a code word, which substitute teachers likely

would not know.) Law enforcement officers and emergency medical technicians will learn a consistent response and will be able to rely on a safe and consistent response from school personnel and students. This is particularly important in serious or large-scale crime incidents such as school shootings, in which law enforcement agencies and other emergency responders at the local state, and federal levels provide mutual aid. To facilitate implementation of the plan, the Education Code provides avenues for grant funding that would pay for “train the trainer” programs, videos, and other training and plan materials.

Proposal

- *What section of state law requires amendment?*

Education Code section 35294.2(a)(2)(B): The comprehensive school safety plan shall include, but not necessarily be limited to, the following...Disaster procedures, routine and emergency, **including a uniform lock down plan approved by the local law enforcement agency. School districts shall ensure that school administrators conduct regular lock down drills for school personnel and students with law enforcement and other emergency responders.** Another option is adding a new section to the Education Code mandating the components of a lock down plan and the frequency of lock down drills, similar to existing Education code sections on earthquake and fire drills.

Strategy

- *Likely supporters, opponents, sponsors:*

Supporters to date include San Diego’s Fire and Life Safety Services, the Chula Vista Police Department. The Department will work through the County Chief’s Association and juvenile services officers in every division to enlist the support of other San Diego school districts. Additionally, the Department is presenting the lock down plan to teacher’s unions. There are no known opponents to the benefits of a consistent lock down plan. Potential supporters include South Bay legislators.



2004 Legislative Priorities

Replacement of Housing Lost to School Construction

Lead Department: Housing Commission

IGR will explore with the Education System

Background:

- What governmental functions are at issue? District school boards would be authorized to replace housing voluntarily, to make housing development an eligible expenditure for Proposition MM school funds, and would be encouraged to coordinate with local jurisdictions to locate new school sites.
- How are these functions performed? Through the enactment of State legislation, school district board approval, City Council ordinance, and community group outreach and participation.
- Why is legislation required? New school construction often results in demolition of valuable affordable housing resources, especially in highly urban areas. Proposed legislation would support policies to encourage the replacement of housing that is demolished to make way for the construction of new schools, particularly in highly urbanized areas where the loss of housing severely impacts those in the low- to moderate-income groups.
- How would the proposal permit the City to perform more effectively? By empowering the school districts to voluntarily replace and develop housing with Proposition MM funds, the City's fiscal responsibility for housing construction projects may be diminished thereby shifting scarce resources to other City functions and services.

Proposal

- Specify what sections of state law require amendment – None yet identified.
- Provide specific amendment language you seek – Not applicable.

Strategy

- List likely supporters – The Big 10 California Cities
- List likely opponents – None yet anticipated.
- List possible Sponsors – Not yet identified.



2004 Legislative Priorities

Accessibility of Credit Reports

Lead Department: Housing Commission

Direct IGR to Report to the Federal Trade Commission

Background:

- What governmental functions are at issue? The City of San Diego recently formed an Affordable Housing Task Force to explore ways to address issues surrounding the affordable housing crisis. One recommendation of the Task Force was to pursue legislation that would require credit reporting agencies to make copies of a tenant credit report available to potential landlords for a specified amount of time without charging multiple fees. This legislative effort would not directly impact any governmental function; however, it would potentially relieve a financial burden on low-income renters within the City by reducing the costs for credit check when looking for housing.
- How are these functions performed? Landlords routinely require tenants to pay a credit check fee to cover the costs associated with a landlord confirming the credit worthiness of a potential tenant. In a tight residential market, a tenant may be required to pay numerous credit check fees to multiple landlords in a short amount of time in order to secure housing. The legislation would require credit reporting agencies to make credit information available to landlords for a specified amount of time without charging multiple fees.
- Why is legislation required? Paying multiple credit check fees becomes a financial burden for low-income renters looking for housing in tight real estate markets.
- How would the proposal permit the City to perform more effectively? N/A

Proposal

- Specify what sections of state law require amendment. Unsure. Most likely requires both State and Federal action.
- Provide specific amendment language you seek. Credit reporting agencies would make copies of a tenant credit report available to potential approved landlords for a specified period of time, in order to avoid the costs associated with a tenant paying numerous credit check fees.

Strategy

- List likely supporters
Apartment Association, renters rights organizations, affordable housing organizations
- List likely opponents
Credit reporting agencies
- List possible Sponsors



2004 Legislative Priorities

NAME of PROPOSAL: National Housing Trust Fund
Lead Department: San Diego Housing Commission

Background:

- What governmental functions are at issue? A new program providing Federal funds to local jurisdictions that can be loaned to private developers of new affordable housing.
- How are these functions performed? Federal legislation would set broad program outlines including eligible beneficiaries and forms of investment. Locally, we would use funds in much the same way as HOME Investment dollars, selecting development proposals competitively and negotiating long term affordability agreements.
- Why is legislation required? Current funding streams are inadequate to provide sufficient affordable housing to meet local needs. New legislation is required to create the program design and to identify an ongoing funding source.
- How would the proposal permit the City to perform more effectively? San Diego has several effective development loan programs, but they cannot keep up with local housing needs. San Diego has declared a state of emergency because of its severe affordable housing needs. A new federally funded program would expand the number of families served. As conceived, the National Housing Trust Fund would offer much local flexibility to adapt to local needs.

Proposal

- Specify what sections of law require amendment: New legislation to create a National Housing Trust Fund.
- Provide specific amendment language you seek: Existing proposed National Housing Trust Fund language is close enough; we might offer some specific amendments if it starts to move toward adoption.

Strategy

- List likely supporters: NAHRO; national associations representing real estate interests, apartment owners, low income families; League of Cities, Conference of Mayors. Several thousand organizations and individuals have signed on as supporters.

- List likely opponents: Opposition comes from those seeking to limit budget outlays or those opposed to specific funding sources.
- List possible Sponsors: Many legislators have signed on as co-sponsors.



2004 Legislative Priorities

Removal of Unlawful Detainer on Credit Reports
Lead Department: Housing Commission
IGR will work with Federal Trade Commission

Background:

- What governmental functions are at issue? The City of San Diego recently formed an Affordable Housing Task Force to explore ways to address issues surrounding the affordable housing crisis. One recommendation of the Task Force was to pursue legislation that would prevent “unlawful detainers” on tenant credit reports when the eviction case has been dismissed. This legislative effort would not directly impact any governmental function; however, it would potentially assist low-income renters within the City by eliminating barriers to accessing rental housing stock.
- How are these functions performed? Rental disputes regularly occur between Landlords and Tenants in the rental housing market. A rental dispute can result in a “black mark” on a tenant’s credit report called an “Unlawful Detainer”. Often time these disputes are dismissed in court or in mediation; however, credit reporting agencies retain an “unlawful detainer” label on the effected tenant’s credit report. The proposed legislation would require credit reporting agencies to remove the “unlawful detainer” label once a case has been dismissed.
- Why is legislation required? A landlord is less likely to rent to a tenant with an “unlawful detainer” on their credit report. In a tight rental market, an “unlawful detainer” on a tenant’s credit report can result in a significant barrier to a renter looking for housing.
- How would the proposal permit the City to perform more effectively?

Proposal

- Specify what sections of state law require amendment. Unsure. Most likely requires both State and Federal action.
- Provide specific amendment language you seek. Require credit reporting agencies to remove an “unlawful detainer” label from a tenant’s credit report if the eviction case was dismissed.

Strategy

- List likely supporters
Apartment Association, renters rights organizations, affordable housing organizations
- List likely opponents

Credit reporting agencies

- List possible Sponsors



Position Paper: TEA Reauthorization

This position paper assesses issues important to the City of San Diego as Congress rewrites the Transportation Enhancement Act, by which Federal transportation funds are distributed. Final action is anticipated by Congress in early 2004.

Background

The Draft 2030 Regional Transportation Plan currently projects a likely spending level of \$42 billion. Approximately \$11 billion of these funds are anticipated from Federal sources. The Transportation Enhancement Act (TEA) Reauthorization will determine:

1. The level of Federal funding provided to transportation for the next 5 years
2. How funds will be distributed between states, and between categories of projects (e.g. highways and transit)
3. The list of projects eligible for "demonstration grant" funding
4. Other rules and regulations governing transportation

Funding Issues

Federal transportation funds are generated by collection of a 22.5 cent tax on each gallon of gas, as well as additional user fees. In aggregate, these funds will generate between \$225 billion and \$300 billion nationally during the next 5 years. At least three reauthorization proposals are expected – one each from the Bush Administration, the House of Representatives and the Senate. The following chart summarizes what is known of these proposals, and compares it with the past 5 year funding level.

	5 yr Total	High Annual funding Level:	
		Highways	Transit
Current Law	\$216 billion	\$39 billion	\$7.2 billion
(Highway	\$173 billion)		
(Transit	\$36.2 billion)		
Administration	\$221.5 billion		
(Highway	\$173 billion)		
(Transit	\$48.5 billion)		
House (Young)	TBD	\$60 billion	\$12 billion
Senate	TBD		

House Transportation Committee Chairman Don Young is known to favor a significant increase in transportation spending, citing conclusions of a Department of Transportation study that existing funding levels are not even maintaining the system adequately, much less addressing increasing congestion. Chairman Young suggests four sources for the possible funding increase:

1. **Trust Fund:** \$9-\$13 billion can be added by spending down the existing Transportation Trust Fund balance of \$17 billion to a still prudent reserve of between \$4 billion – \$8 billion. The balance, once reaching nearly \$30 billion, was reduced by contributions to deficit reduction.
2. **“Transportation Fees for Transportation:”** A variety of transportation fees are NOT spent on transportation purposes, including ethanol subsidies.
3. **Indexing Gas Tax:** The current gas tax is NOT indexed for inflation. Doing so would keep revenues consistent with construction, maintenance and operation cost inflation
4. **2 cent Gas Tax Increase:** The gas tax was last increased by President Clinton – 5 cents per gallon in 1992, though the revenues were dedicated to deficit reduction. In 1998, Congress redirected those funds to transportation.

The Bush Administration proposal, by contrast, assumes existing revenues from gas taxes and fees during the 5 year period.

Defining San Diego’s Interests

Funding Level

- All three proposals will likely meet the short term federal funding assumptions of the RTP for the years 2003-2007
- The House proposal would begin to fulfill the long term RTP funding assumption of increased federal revenues

Local Earmarks: During the last reauthorization, the San Diego region received \$405 million in earmarks:

<u>Highway Projects: \$80 million</u>	<u>Earmark</u>
Acquire right-of-way and construct SR905	
Construct Olympic Training Center Access Road, Chula Vista	\$5 million
Construct San Diego and Arizona Eastern Intermodal Yard	\$10 million
Construct SR-78/Rancho Del Oro interchange in Oceanside	\$3.75 million
Complete Citracado Parkway project in San Diego County	\$2.25 million
Extend State Route 52 in San Diego	\$2.25 million
Complete State Route 56 in San Diego	\$3 million
Construct State Route 76 in Northern San Diego	\$7.5 million

Transit Projects: \$325 million

Earmark

San Diego Mid-Coast LRT Corridor

San Diego Mission Valley East Corridor

San Diego Oceanside-Escondido Corridor

SANDAG has submitted a list of project proposals for reauthorization – which is enclosed as appendix 1

Transit Issues: The priority of our region is to complete existing light rail transit lines, and, to embark upon the “Transit First” strategy that relies heavily upon “Bus Rapid Transit” (BRT). Regional strategy will emphasize eligibility of BRT for transit funding.

Border Issues: San Diego serves as a through-way for the busiest international border crossing in the world. The majority of this traffic is destined for areas outside of the San Diego region; much of it going to places even outside of California. Our regional priority has been to identify appropriate federal funding to address projects which ultimately benefit other regions of the country. \$800 million was dedicated to border and trade corridors in the last 5 year program.

Environmental reforms: States that have extensive project review requirements to ensure environmental protection, have sought ways to eliminate duplication of